

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|---------------|
| AN EXAMINATION BY THE PUBLIC |) | |
| SERVICE COMMISSION OF THE |) | |
| APPLICATION OF THE FUEL ADJUST- |) | |
| MENT CLAUSE OF BLUE GRASS RURAL |) | CASE NO. 9738 |
| ELECTRIC COOPERATIVE CORPORATION |) | |
| FROM NOVEMBER 1, 1984, TO |) | |
| OCTOBER 31, 1986 |) | |

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Blue Grass was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Blue Grass filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Blue Grass to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of <1.46> mills per KWH to the base rates of Blue Grass's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Blue Grass also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Blue Grass has complied in all material respects with the provisions of 807 KAR 5:056.

2. Blue Grass's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of <1.46> mills per KWH in Case No. 9731.

3. Blue Grass should be authorized to decrease the rates charged its customers by 1.54 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

- (1) The charges and credits applied by Blue Grass through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

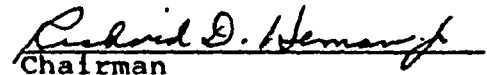
(2) Blue Grass be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

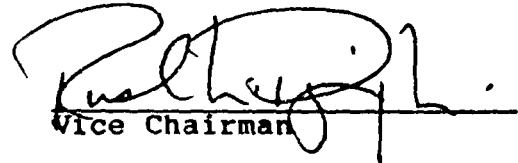
(3) The rates in Appendix A be and they hereby are approved for service rendered by Blue Grass on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Blue Grass shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9738 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GS - 1 (RESIDENTIAL, FARM AND NON-FARM)

Rate:

| | |
|----------------------------|-----------------------------|
| Customer Charge (No Usage) | \$5.30 Per Meter, Per Month |
| First 600 KWH Per Month | .06657 Per KWH |
| All Over 600 KWH Per Month | .05620 Per KWH |

GS - 1 T-O-D (GENERAL SERVICE T-O-D)

Rates:

On-Peak Rate:

| | |
|-------------------|-------------------|
| Service Charge | \$ 5.30 Per Month |
| Under 600 KWH/Mo. | .06657 Per KWH |
| Service Charge | 11.52 Per Month |
| Over 600 KWH/Mo. | .05620 Per KWH |

Off-Peak Rate:

| | |
|-------------------|------------------|
| Under 600 KWH/Mo. | .03828 Per Month |
| Over 600 KWH/Mo. | .03206 Per Month |

C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Energy Charge (Under 50 KW)

| | |
|--------------------|-------------------|
| First 3,000 KWH | \$.06839 Per KWH |
| All Over 3,000 KWH | .05378 Per KWH |

| | |
|------------------------|--------|
| <u>Customer Charge</u> | \$6.95 |
|------------------------|--------|

LP - #1 - LARGE POWER

Rates:

Energy Charge (51-500 KW)

| | |
|----------------------|-------------------|
| First 10,000 KWH | \$.04891 Per KWH |
| Next 15,000 KWH | \$.04221 Per KWH |
| Next 50,000 KWH | \$.03661 Per KWH |
| Next 75,000 KWH | \$.03431 Per KWH |
| All Over 150,000 KWH | \$.03261 Per KWH |

LP - #2 LARGE POWER

Rate:

Energy Charge (Over 500 KW)

| | |
|------------------------|-------------------|
| First 3,500 KWH | \$.04974 Per KWH |
| Next 6,500 KWH | .04147 Per KWH |
| Next 140,000 KWH | .03634 Per KWH |
| Next 200,000 KWH | .03479 Per KWH |
| Next 400,000 KWH | .03387 Per KWH |
| Next 550,000 KWH | .03295 Per KWH |
| All Over 1,300,000 KWH | .02768 Per KWH |

SECURITY LIGHTS

Rate Per Light Per Month:

| | | |
|---|------------------|--------|
| 175 Watt Mercury Vapor | Per Lamp Per Mo. | \$5.03 |
| 400 Watt Mercury Vapor | Per Lamp Per Mo. | 7.59 |
| 100 Watt High Pressure Sodium (Ornamental) | Per Lamp Per Mo. | 5.11 |
| 100 Watt High Pressure Sodium | | 6.72 |

STREET LIGHTING

Rate Per Light Per Month:

| | | |
|--|------------------|------|
| 175 Watt Mercury Vapor | Per Lamp Per Mo. | 5.03 |
| 400 Watt Mercury Vapor | Per Lamp Per Mo. | 7.59 |
| 70 Watt High Pressure Sodium (ornamental) | Per Lamp Per Mo. | 5.21 |
| 100 Watt High Pressure Sodium (ornamental) | Per Lamp Per Mo. | 6.72 |
| 250 Watt High Pressure Sodium (ornamental) | Per Lamp Per Mo. | 5.11 |
| 100 Watt High Pressure Sodium | Per Lamp Per Mo. | 9.21 |